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Cuervo plan summary 2
**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

IN RE:)	CASE NO. 17-20492 GLT
)	
JOSEPH CUERVO and MARY E. CUERVO,)	CHAPTER 11
)	
DEBTORS.)	Docket No. _____

Summary of Plan of Reorganization Dated October 23, 2017

The key features of the Debtors' plan of reorganization filed on October 23, 2017, are:

1. Sale of Residence: Debtors will sell their Residence to reduce their housing costs and fund a \$50,000 payment on the Class 4 claim.

2. Secure Claims: Debtors have two secured claims. Class 1 is a mortgage (\$451,261) against the Residence held by JP Morgan Chase Bank ("Chase") which will be paid according to the contract until the Residence is sold when it will be paid in full. Class 2 is an auto loan (\$20,288) held by Chase which will be paid in full in 72 monthly payments with interest at 3%.

3. Administrative Claims (Class 3): Administrative expense claims by Debtors' counsel, **Gary W. Short**, the **Office of the United States Trustee**, the **Clerk's Office of the Bankruptcy Court**, and all other administrative claimants will be paid when payment is due or, if required, on Court approval.

4. IRS Non-Priority Tax Claims (Class 4): The IRS Class 4 claim (\$540,468 exclusive of penalties) shall be paid \$150,000 on the PDD and \$50,000 from the sale of the Residence within 240 days after the PDD with the unpaid balance paid with interest in 10 equal annual lump sum payments starting one year after the PDD *unless the IRS elects to have its Class 4 claim re-classified as a Class 5 claim.*

5. Non-Priority Claims (Class 5): If Class 5 claims total less than \$100,000, such claims shall be paid either (a) 30% by a lump sum payment on the PDD or, (b) if such claimant elects, 100% with interest at 3.0% in 40 equal quarterly payments commencing on the PDD; provided however, if Class 5 Claims total at least \$100,000 due to IRS election to have its Class 4 claim treated as a Class 5 claim, no election is available and all Class 5 claimants shall be paid 30% of their claim without interest in 120 equal monthly payments commencing on thirty days after the Plan Confirmation Date.

6. Equity Security Interests: Joseph Cuervo and Mary E. Cuervo shall retain their interests in their property.

/s/ Gary W. Short
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